

**REDEVELOPMENT PLAN FOR  
THE VALLEY DRIVE PROPERTIES, LLC,  
REDEVELOPMENT PROJECT**

**PREPARED MARCH, 2022**

**BY THE COMMUNITY DEVELOPMENT AGENCY  
OF THE CITY OF NORFOLK, NEBRASKA**

## A. Introduction

This Redevelopment Plan for the Valley Drive Properties, LLC, Redevelopment Project (this “**Redevelopment Plan**”), prepared by the Community Development Agency of the City of Norfolk, Nebraska (the “**Agency**”), is a guide for redevelopment activities to remove or eliminate blighted and substandard conditions within the City of Norfolk, Nebraska (“**City**”). The Mayor and City Council of the City, recognizing that blighted and substandard conditions are a threat to the continued stability and vitality of the City, designated certain areas of the City to be blighted and substandard and in need of redevelopment pursuant to the requirements of the Nebraska Community Development Law, sections 18-2101 et. seq., as amended (the “**Act**”).

Prior to the preparation of this Redevelopment Plan, and in compliance with the Act, the Mayor and City Council of the City designated a portion of the City as a blighted and substandard community redevelopment area, such area being commonly referred to as the “**East Omaha Avenue Redevelopment Area**”. This Redevelopment Plan sets forth a proposed redevelopment project located within the East Omaha Avenue Redevelopment Area to optimize the tax increment financing (“**TIF**”) resources available to offset certain costs deemed eligible for reimbursement by TIF under the Act, and to remove existing and avoid future blighted and substandard conditions, all as further described herein. This Redevelopment Plan contemplates the phased construction of affordable housing consisting of approximately 50 duplex dwelling units, comprised of approximately 25 residential duplex buildings, together with such public improvements associated therewith, within a portion of the East Omaha Avenue Redevelopment Area (such public and private improvements are collectively referred to herein as the “**Redevelopment Project**”).

## B. East Omaha Avenue Redevelopment Area; Project Site; Existing Conditions

Exhibit "A", attached hereto and incorporated herein, sets forth the boundaries of the East Omaha Avenue Redevelopment Area. The East Omaha Avenue Redevelopment Area is generally located along the Hwy 275 Corridor between S 7th Street and Channel Rd. in the City. Exhibit "A-1", attached hereto and incorporated herein, sets forth the boundaries and existing conditions of the area to be developed as part of the Redevelopment Project (the “**Project Site**”). The Project Site is located to the northwest of the intersection of S. Victory Rd. and Hwy 275, bordering the North Fork of the Elkhorn River levee on the west, in the City. The Project Site is completely engrossed within the blighted and substandard East Omaha Avenue Redevelopment Area and is in need of redevelopment.

### **C. Conformance with the Comprehensive Plan**

It is essential to the City's comprehensive plan for development (the "**Comprehensive Plan**") that dilapidated, inadequate, or deteriorating portions of the City conform to the current and future needs of the City as it continues to grow and expand. Exhibit "B", attached hereto and incorporated herein, shows a portion of the future use map (showing the Project Site and surrounding areas) included within the City's Comprehensive Plan. The map sets forth a "Mixed Commerce Reserve" designation for future use of the Project Site. A Mixed Commerce designation is most appropriate for commercial, office and industrial spaces. However, the Comprehensive Plan provides that the use of the word "Reserve" denotes parcels which were not expected to be developed within 20 years of the Comprehensive Plan's adoption. And while "Reserve" designations generally carry the same use characteristics as the associated land use type, the Comprehensive Plan specifies that, "Reserve areas are intended to provide the city with greater flexibility in the years after the production of the report to plan for and accommodate development options as yet, unforeseen." Because the use of the Project Site contemplated under this Redevelopment Plan was unforeseen at the time of the Comprehensive Plan's adoption, resulting in a "Reserve" designation, development outside the traditional bounds of "Mixed Commerce" is appropriate and does not conflict with the Comprehensive Plan's future use map.

The Project Site is located within the "East Entrance District" development area under the Comprehensive Plan. With respect thereto, the Comprehensive Plan provides:

- The Victory Road Corridor provides both low density and high density residential options.
- Portions of the East Entrance District, which are undeveloped and near city services, provide an opportunity for the creation of new development, which would maximize the City's current investments in infrastructure.
- The East Entrance District should provide a mixture of suburban character within residential areas and an auto-oriented character along both Highway 275 and Victory Road Corridors.
- Property owners and developers should continue to be encouraged toward design principles desired by the City through a combination of incentives and public recognition.
- Encourage and direct the development of new residential areas near the intersection of Victory Road and Norfolk Avenue/Highway 35 as well as along areas adjacent to the North Fork River Canal.

- Medium and/or high density residential is targeted along the Victory Road Corridor and utilized to help buffer low density residential from other incompatible uses near the intersection of Highway 275 and Victory Road/Highway 24.

The Redevelopment Project will assist in carrying out the above objectives in furtherance of the future land use and development guidelines for the East Entrance District under the Comprehensive Plan. Accordingly, the Redevelopment Project is in conformance with and furthers the objectives under the Comprehensive Plan.

#### **D. Redevelopment Project Overview**

The Redevelopment Project contemplates the phased construction of affordable housing consisting of approximately 50 duplex dwellings units, comprised of approximately 25 duplex residential buildings, together with the improvements associated therewith. Exhibit "C", attached hereto and incorporated herein, sets forth the proposed site plan for the Redevelopment Project. No public acquisition of the Project Site is anticipated. Additionally, no families or businesses will be displaced as a result of the Redevelopment Project.

The Redevelopment Project requires infrastructure improvements and other public and private improvements which are not financially feasible to undertake at one time. Completing the Redevelopment Project in phases will allow the Redeveloper to maximize the TIF resources available for public improvements, which will be necessary for the Redevelopment Project to succeed. Further, implementation of the Redevelopment Project in multiple phases will allow Redeveloper to construct housing at a rate the market can support, and to adapt subsequent phases of the project to the changing needs of the City. The Agency and Redeveloper anticipate Redeveloper will construct the Redevelopment Project in three phases consisting of: (i) the construction of all infrastructure and creation of buildable lots during the first phase; (ii) the construction of approximately 24 duplex dwelling units during the second phase; and (iii) the construction of approximately 26 duplex dwelling units during the third phase.

While Redeveloper anticipates the Redevelopment Project will be constructed over the course of three phases, the Redevelopment Project requires flexibility and more or less phases may be necessary as a result of market demand and other extraneous factors. Accordingly, this Redevelopment Plan contemplates and authorizes the reconfiguration of the phasing, as necessary; provided such changes do not constitute a substantial modification under Section 18-2115 of the Act.

#### **E. Existing Conditions**

### **1. Existing Land Use**

The Project Site currently consists of vacant land.

### **2. Existing Zoning**

The Project Site is currently zoned as R-1 (Single-Family Residential).

### **3. Existing Public Improvements**

The Project Site is adjacent to Victory Rd. The interior of the Project Site is without paving, sewer, water, storm sewer, electrical service, public walks, and related infrastructure.

## **F. Proposed Redevelopment**

### **1. Public Improvements**

The Redevelopment Project will require significant infrastructure improvements and other public improvements. These improvements will include, but are not limited to:

#### **a. Public Access; Traffic Flow, Street Layouts and Street Grades**

The Project Site is adjacent to Victory Rd. Redeveloper will construct paving for ingress and egress therefrom. The public improvements for the Redevelopment Project will address any traffic and street infrastructure concerns that would otherwise be created by the Redevelopment Project. All streets and other public infrastructure constructed by Redeveloper will be subject to review and approval by the City's engineer or other designee of the City.

#### **b. Construction of Water and Sewer Improvements.**

Redeveloper will construct or extend water and sewer systems to provide appropriate service to the lots on the Project Site.

#### **c. Other incidental improvements**

The Project Site is currently undeveloped and will require grading to provide effective drainage throughout the area. The Project Site requires filling and grading to properly drain the ground water runoff and provide appropriate grading levels to construct the dwellings thereon. Redeveloper also anticipates the construction of electric and gas utilities extending to the lots on the Project Site. The anticipated public improvements (and costs related to the public

improvements) for the Redevelopment Project are listed in Exhibit "E", attached hereto and incorporated herein.

d. Additional public facilities or utilities

Other than the construction or extension of the utilities and infrastructure detailed above, Redeveloper and the City anticipate that the existing public facilities and utilities can adequately meet the demands of the Redevelopment Project.

e. Property Acquisition, Demolition and Disposal

No public acquisition of private property or relocation of families or businesses is necessary to accomplish the Redevelopment Project.

f. Population Density

The Project Site currently sits undeveloped and vacant. The Redevelopment Project is residential in nature and will naturally result in an increase to population density. Per the most recent census data, each household consists of an average of 2.62 people. Accordingly, an increase in population density of approximately 131 people is anticipated within the Project Site.

g. Land Coverage

Land coverage for the Project Site includes approximately 9.28 acres of undeveloped land. The Redevelopment Project contemplates construction of approximately 50 duplex dwelling units, comprised of approximately 25 duplex residential buildings, with a land coverage footprint as shown on the site plan set forth in Exhibit "C". The Redevelopment Project is subject to and must comply with all applicable land coverage ratios required by the City.

h. Parking

The City's zoning code requires two off-street parking spaces per dwelling unit with respect to duplex residential. The dwellings will contain adequate on-site parking, consisting of both garage and driveway space.

i. Zoning, Building Code and Ordinance

The Project Site is currently zoned R-1 (Single-Family Residential), which does not allow for attached dwellings. Accordingly, Redeveloper intends to rezone the Project Site to R-2 (One and Two Family Residential). R-2 allows for single-family attached dwellings, such as the ones proposed as part of the Redevelopment Project. Redeveloper will be responsible for all zoning, building code, or ordinance changes that are necessary for the Redevelopment Project.

## **2. Private Improvements**

Redeveloper intends to construct affordable housing consisting of approximately 50 duplex dwelling units, comprised of approximately 25 duplex residential buildings, in addition to the improvements ancillary thereto. Redeveloper or other builders taking reconveyance from Redeveloper will construct the private improvements. Paragraph H of this Redevelopment Plan details the anticipated construction schedule for the private improvements.

### **G. Project Costs**

The total estimated costs of the Redevelopment Project are \$9,506,013. The estimated costs of the Redevelopment Project are attached and incorporated herein as Exhibit "D". Such figures are only estimates based upon 2022 pricing, and are subject to change without further amendment of this Redevelopment Plan.

### **H. Implementation**

Redeveloper could not complete the initial public improvements for the first phase of the Redevelopment Project but-for the approval of the entire Redevelopment Project and, likewise, the subsequent phases of the Redevelopment Project would not occur but-for these initial public improvements. Accordingly, this Redevelopment Plan contemplates that the costs and expenses of all the public improvements for the Redevelopment Project are eligible TIF uses for each phase of the Redevelopment Project (as allocated). As such, Redeveloper may apply the TIF Revenues (defined below) generated from each phase of the Redevelopment Project toward the eligible expenses of another phase, if necessary; provided there is not duplication of costs.

Redeveloper intends to commence construction upon the approval of this Redevelopment Plan. Redeveloper anticipates that each phase will be completed in approximately twelve months; provided that market demand and other extraneous factors may necessitate that Redeveloper completes one or more phases over an additional period of time. Redeveloper intends to commence each subsequent phase of the Redevelopment Project as soon as the then-current phase is completed. Accordingly, Redeveloper anticipates completion of the Redevelopment Project by the end of 2024.

The anticipated start dates and completion dates for the phases are preliminary and subject to change based upon market conditions, availability of materials, workforce availability and other extraneous factors. More or less phases spanning more or less time than the anticipated timelines listed above may be necessary as a result of such extraneous conditions or factors.

It is anticipated that each phase will be tied to the construction of duplexes in a given calendar year. Upon the completion of each phase, Redeveloper will notify the Agency of the same in writing on a form prescribed by the Agency. The notice shall identify the lots and set forth the "**effective date**" (as defined in the Act) for the pertinent phase. The notice must be submitted to the Agency on or before June 30 of the year in which taxes are to be divided for such phase.

## **I. Financing**

The City and the Agency contemplate the use of TIF for the Redevelopment Project. Section 18-2147 of the Act authorizes the use of TIF. It provides that any ad valorem tax levied upon real property, or any portion thereof, in a redevelopment project shall be divided, for a period not to exceed fifteen years after the effective date, as follows:

- (a) That portion of the ad valorem tax the levy produces at the rate fixed each year by or for each public body upon the redevelopment project valuation shall be paid into the funds of each such public body in the same proportion as are all other taxes collected by or for the body ("**Base Tax Amount**"); and
- (b) That portion of the ad valorem tax on real property in excess of the Base Tax Amount, if any, (referred to herein as "**TIF Revenues**") shall be allocated to and, when collected, paid into a special fund of the authority to be used solely to pay the principal of, the interest on, and any premiums due in connection with the bonds of, loans, notes, or advances of money to, or indebtedness incurred by, whether funded, refunded, assumed, or otherwise, such authority for financing or refinancing, in whole or in part, the redevelopment project.

With respect to the Redevelopment Project, the actual base tax year and Base Tax Amount for each phase of the Redevelopment Project will be established via the notifications from Redeveloper to the Agency referenced in Paragraph H, above, as shall be further detailed in the "**Redevelopment Contract**" (as defined in the Act), entered into between Redeveloper and the Agency with respect to the Redevelopment Project. The Agency and Redeveloper anticipate that the effective dates will be different for each phase, and therefore the increment period for each phase will be different.



Notwithstanding any provision herein to the contrary, all tax revenues resulting from improvements constructed/installed after the commencement of the first portion of each phase shall only be divided and allocated over the applicable 15-year increment period or payment of the TIF Indebtedness, whichever occurs first.

## **1. Necessity of TIF**

Redeveloper has represented and warranted to the City that it would not be economically feasible to develop the Redevelopment Project without TIF, and Redeveloper would not undertake the Redevelopment Project without the assistance of TIF. In support thereof, Redeveloper stated in its TIF application that:

“The rate of wage increases are not keeping up with the constant cost increases in land, infrastructure, development, building materials and construction costs. Our target market is workforce and income qualified residents. Due to those factors, this project would not be feasible without Tax Increment Financing.”

In addition to the foregoing, Redeveloper submitted an analysis showing the return on investment (“**ROI**”) for the Redevelopment Project, with and without TIF. As shown therein, Redeveloper’s ROI with TIF ranges between 0.69% and 6.63% over 15 years. Without TIF, the Redevelopment Project yields a predominantly negative ROI, ranging between -2.56% and 2.62% over 15 years.

The City and Agency accept and agree with Redeveloper’s assertions regarding the necessity of TIF. Low-income and workforce housing is needed within the City, but is made difficult and unprofitable by high construction costs. This is apparent via Redeveloper’s ROI analysis. Prudent investors and financial institutions would not invest in development that yields a negative ROI. Even with TIF, the ROI is modest and within the range of a showing of necessity. Additionally, the vacant condition of the Project Site adds costly site preparation and infrastructure costs, which contributes to the site’s blighted and substandard condition and the infeasibility of its development without the assistance of TIF. Accordingly, the Redevelopment Project, as proposed herein, is not economically viable without the assistance of TIF and Redeveloper would not construct the same without TIF.

## **2. Sources and Uses of Financing**

Based upon the projections provided in Exhibit "E", attached hereto and incorporated herein, the Agency and Redeveloper contemplate issuance of one or more TIF bonds or notes (the "**TIF Indebtedness**") in the aggregate principal amount of \$1,220,476. The TIF

Indebtedness shall bear interest at a rate not to exceed 6.20% per annum. The final principal and interest amounts comprising the TIF Indebtedness shall be determined by the Agency and set forth in the Redevelopment Contract or resolution authorizing the issuance of the TIF Indebtedness.

The total estimated cost of the Redevelopment Project is \$9,506,013. Redeveloper anticipates that the balance of the public and private costs exceeding the TIF Indebtedness will be financed by a mix of equity, traditional bank financing, and potentially low-income housing tax credits (“LIHTC”) on a portion of the dwellings. It is understood that the lots/dwellings subject to LIHTC will be assessed at lower valuations than those estimated in this Redevelopment Plan, resulting in a shortfall in TIF Revenues necessary to adequately service the TIF Indebtedness. Accordingly, if Redeveloper receives LIHTC, it is anticipated that the LIHTC developer, as part of the purchase of the respective lots, will make a payment in lieu of taxes to the Agency in the amount of the anticipated shortfall on the TIF Indebtedness (with respect to such lot(s)), and the Agency shall apply the same toward the TIF Indebtedness in a lump sum. Any such arrangement shall be set forth in further detail in the Redevelopment Contract.

The above figures are only projections and are subject to change as a result of market conditions and other extraneous factors.

#### **J. Cost-Benefit Analysis**

A cost-benefit analysis for the Redevelopment Project is attached as Exhibit "F" and incorporated herein.

#### **Exhibits:**

- Exhibit A: East Omaha Avenue Redevelopment Area
- Exhibit A-1: Project Site and Existing Land Use
- Exhibit B: Future Land Use Map
- Exhibit C: Site Plan and Future Land Use
- Exhibit D: Estimated Construction Cost of the Redevelopment Project
- Exhibit E: Sources and Uses of TIF
- Exhibit F: Cost-Benefit Analysis

## East Omaha Avenue Redevelopment Area and Existing Land Use

[illegible]

DOCS/2778314.3



Existing Conditions of East Omaha Avenue Redevelopment Area and Surrounding Area:



Exhibit "A"

## EXHIBIT "A-1"

### Project Site and Existing Land Use

#### Legal Description:

**Tract 1: A tract of land lying wholly in the SE1/4 of the SE1/4 of Section 26, Township 24 North, Range 1, West of the 6th P.M., Madison County, Nebraska. Said tract of land is more particularly described as follows: Beginning at a point on the West right-of-way of Victory Road which is 33.00 feet West of the Northeast Corner of the SE1/4 of the SE1/4 of said Section 26, said point also being the Southeast Corner of Lot 1, Block 1, of Werner's Subdivision; thence proceeding West, along the North line of the SE1/4 of the SE1/4 of said Section 26, on an assumed bearing of N89°30'04"W, 426.91 feet; thence N89°28'43"W, along the North line of the SE1/4 of the SE1/4 of said Section 26, 234.58 feet to a point on the Easterly line of the City of Norfolk Flood Control right-of-way; thence S00°33'07" E, along said Easterly line, 193.03 feet to a point which is 193 feet South and 625 feet East of the Northwest corner of the SE1/4 of the SE1/4 of said Section 26; thence S24°55'03"E, along said Easterly line 332.20 feet to a point which is 493 feet South and 770 feet East of the Northwest corner of the SE1/4 of the SE1/4 of said Section 26; thence S51°29'17"E, along said Easterly line, 645.65 feet to a point on the West right-of-way of Victory Road which is 430 feet North and 33 feet West of the Southeast Corner of said Section 26; thence N00°55'46"E, along the West right-of-way of Victory Road, 890.60 feet to the point of beginning.**

\* In the event Redeveloper subdivides or replats the Project Site, the legal description(s) of such subdivided or replatted parcel(s) comprising the Project Site, upon final approval of the City with respect thereto, shall replace and supersede the above legal description.



Depiction and Current Condition (outlined in red):

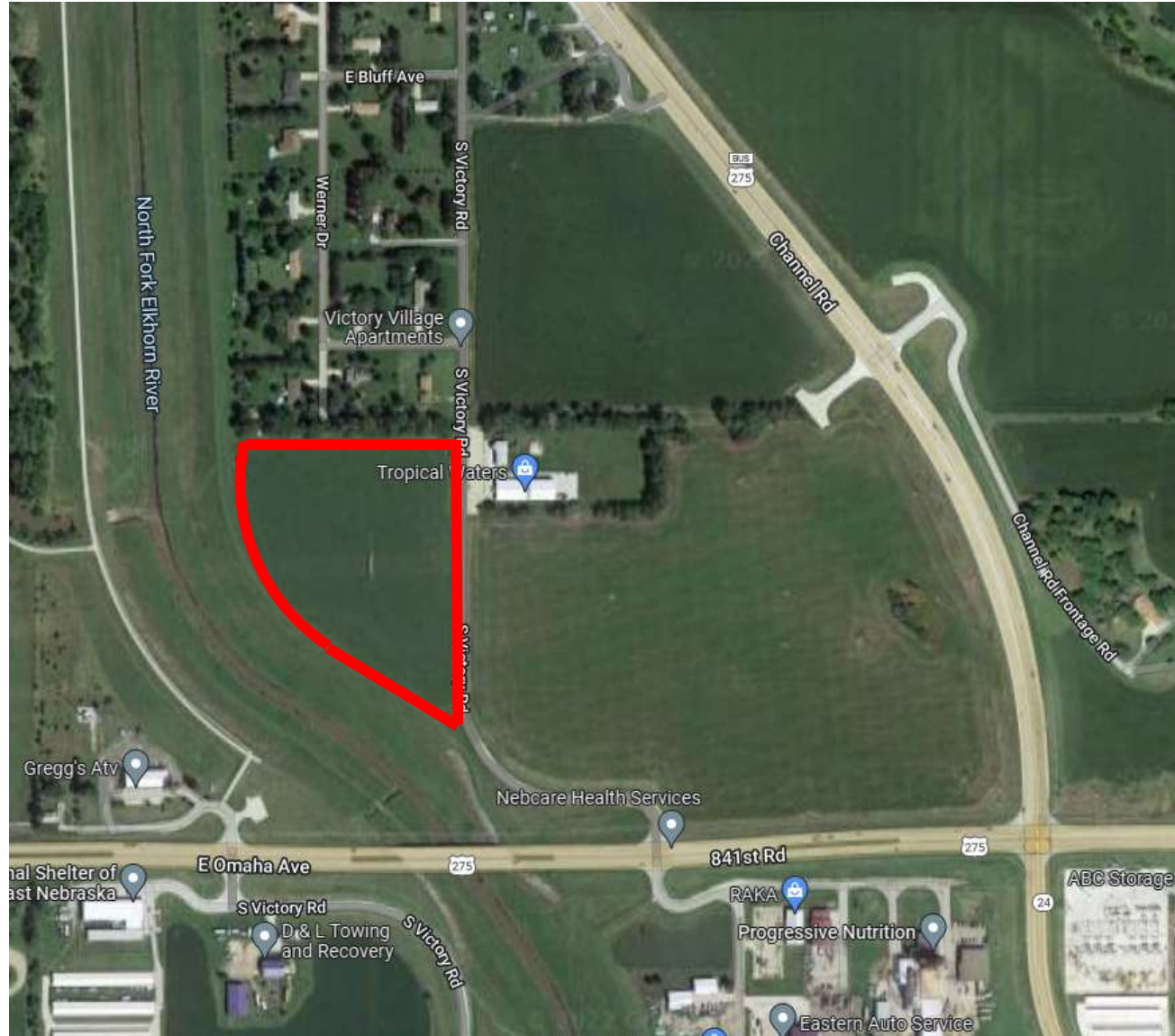
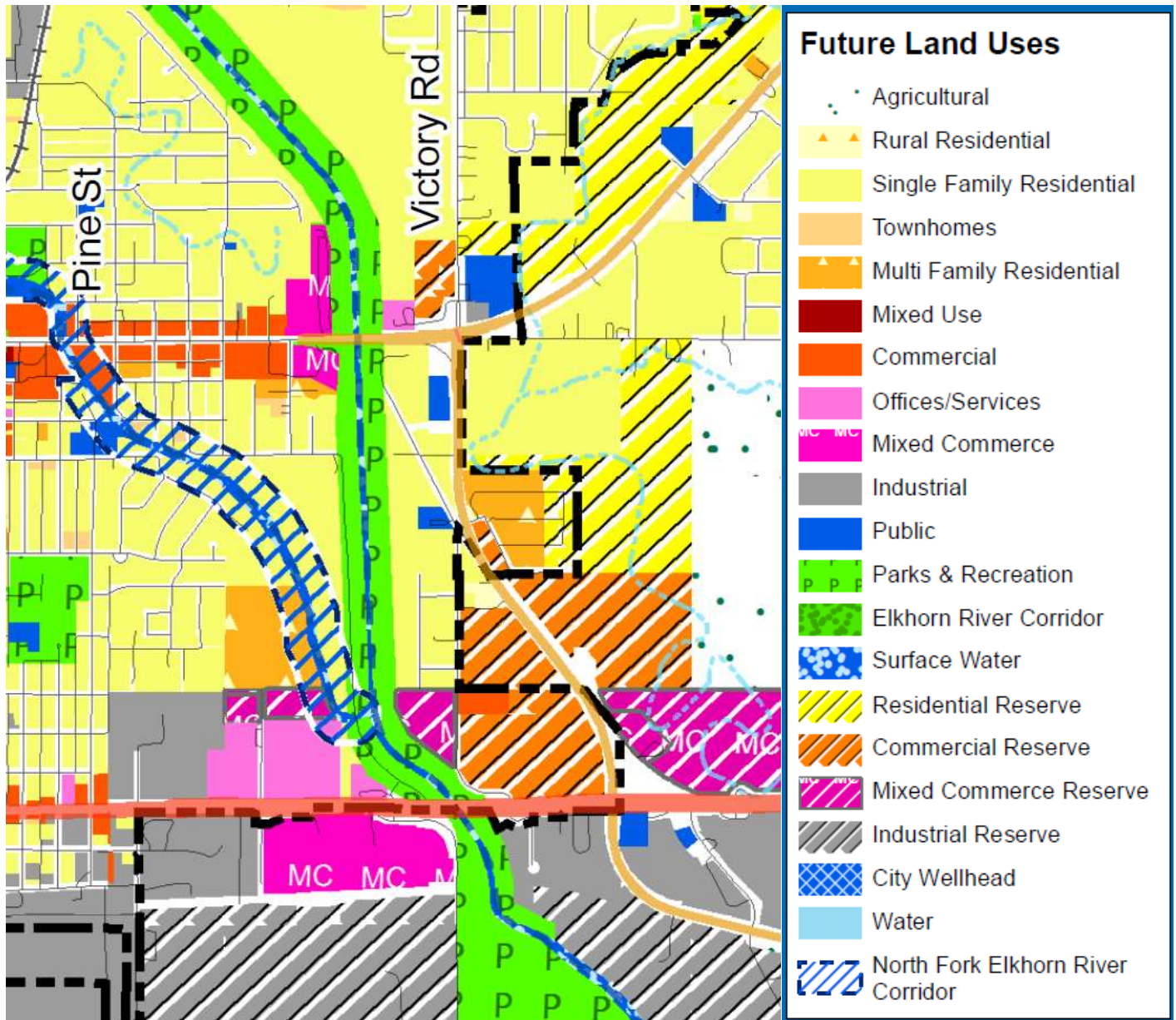


Exhibit "A-1"

## EXHIBIT "B"

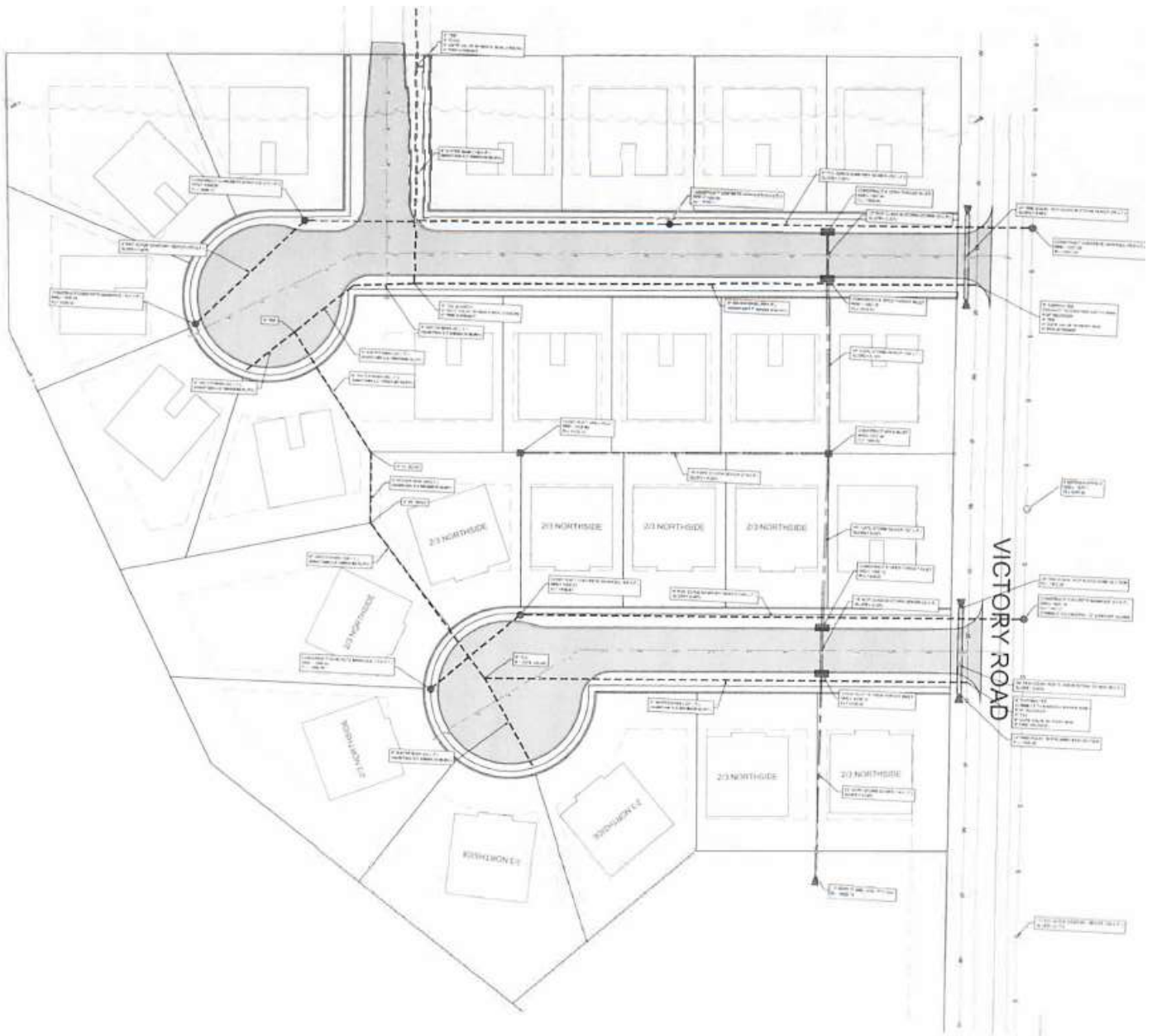
### Future Land Use Map



\* Project Site designated as "Mixed Commerce Reserve".

## EXHIBIT "C"

### Site Plan and Future Land Use



\* The above is a preliminary site plan and is subject to change.



**EXHIBIT "D"**

**Estimate of Construction Costs**

Land Acquisition and Site Preparation	\$2,106,013
Hard Construction Costs	\$7,250,000
Financing Costs	\$150,000
<hr/>	
<b>TOTAL</b>	<b>\$9,506,013</b>

\* The above figures are estimated values based on current pricing. These preliminary estimates are subject to change, as Redeveloper has no control over the change in cost of materials and services between the time of the approval of this Redevelopment Plan and commencement of construction.

**EXHIBIT "E"**

**Sources and Uses of TIF**

**USES:**

Land Acquisition	\$324,900
Dirt Work and Infill	\$411,417
City Water Extension	\$228,734
City Sewer Extension	\$180,923
Drainage & Storm Sewer	\$123,074
Streets and Curbs	\$378,965
Electric Lines	\$98,000
Legal Fees	\$40,000
Architectural and Engineering Fees	\$190,000
Capitalized TIF Interest	\$130,000
<hr/>	
<b>TOTAL</b>	<b>\$2,106,013</b>

\* The above "Uses" are preliminary estimates based on current pricing and are subject to change.

## **SOURCES:**

### **General Assumptions:**

Base Value:	\$375,000
Final Value (Per duplex dwelling):	\$138,000
Final Value (Aggregate):	\$6,900,000
Tax Levy (2021):	1.957691
TIF Indebtedness:	\$1,220,476
Interest Rate:	6.20%

Amortization:

	Total Taxable	Less Pre- Development	TIF Taxable	Tax	Tax	Treasurer's 1% Collection	Revenues Available	Debt Service Payments					
DATE	Valuation	Base	Valuation	Levy	Revenues	Fee	For TIF Loan	Principal	Interest at 6.20%	Total	Loan Balance	Capitalized Interest	Interest at 6.20%
0											\$1,220,476		
0.5	\$ 6,525,000	0	\$ 6,525,000	1.95762	\$ 63,867	\$ 639	\$ 63,228	\$25,393	\$37,835	\$63,228	\$1,195,083	0	37835
1	\$ 6,525,000	0	\$ 6,525,000	1.95762	\$ 63,867	\$ 639	\$ 63,228	\$26,180	\$37,048	\$63,228	\$1,168,903	0	37048
1.5	\$ 6,525,000	0	\$ 6,525,000	1.95762	\$ 63,867	\$ 639	\$ 63,228	\$26,992	\$36,236	\$63,228	\$1,141,911	0	36236
2	\$ 6,525,000	0	\$ 6,525,000	1.95762	\$ 63,867	\$ 639	\$ 63,228	\$27,829	\$35,399	\$63,228	\$1,114,082	0	35399
2.5	\$ 6,525,000	0	\$ 6,525,000	1.95762	\$ 63,867	\$ 639	\$ 63,228	\$28,691	\$34,537	\$63,228	\$1,085,391	0	34537
3	\$ 6,525,000	0	\$ 6,525,000	1.95762	\$ 63,867	\$ 639	\$ 63,228	\$29,581	\$33,647	\$63,228	\$1,055,810	0	33647
3.5	\$ 6,525,000	0	\$ 6,525,000	1.95762	\$ 63,867	\$ 639	\$ 63,228	\$30,498	\$32,730	\$63,228	\$1,025,312	0	32730
4	\$ 6,525,000	0	\$ 6,525,000	1.95762	\$ 63,867	\$ 639	\$ 63,228	\$31,443	\$31,785	\$63,228	\$993,869	0	31785
4.5	\$ 6,525,000	0	\$ 6,525,000	1.95762	\$ 63,867	\$ 639	\$ 63,228	\$32,418	\$30,810	\$63,228	\$961,451	0	30810
5	\$ 6,525,000	0	\$ 6,525,000	1.95762	\$ 63,867	\$ 639	\$ 63,228	\$33,423	\$29,805	\$63,228	\$928,028	0	29805
5.5	\$ 6,525,000	0	\$ 6,525,000	1.95762	\$ 63,867	\$ 639	\$ 63,228	\$34,459	\$28,769	\$63,228	\$893,569	0	28769
6	\$ 6,525,000	0	\$ 6,525,000	1.95762	\$ 63,867	\$ 639	\$ 63,228	\$35,527	\$27,701	\$63,228	\$858,042	0	27701
6.5	\$ 6,525,000	0	\$ 6,525,000	1.95762	\$ 63,867	\$ 639	\$ 63,228	\$36,629	\$26,599	\$63,228	\$821,413	0	26599
7	\$ 6,525,000	0	\$ 6,525,000	1.95762	\$ 63,867	\$ 639	\$ 63,228	\$37,764	\$25,464	\$63,228	\$783,649	0	25464
7.5	\$ 6,525,000	0	\$ 6,525,000	1.95762	\$ 63,867	\$ 639	\$ 63,228	\$38,935	\$24,293	\$63,228	\$744,714	0	24293
8	\$ 6,525,000	0	\$ 6,525,000	1.95762	\$ 63,867	\$ 639	\$ 63,228	\$40,142	\$23,086	\$63,228	\$704,572	0	23086
8.5	\$ 6,525,000	0	\$ 6,525,000	1.95762	\$ 63,867	\$ 639	\$ 63,228	\$41,386	\$21,842	\$63,228	\$663,186	0	21842
9	\$ 6,525,000	0	\$ 6,525,000	1.95762	\$ 63,867	\$ 639	\$ 63,228	\$42,669	\$20,559	\$63,228	\$620,517	0	20559
9.5	\$ 6,525,000	0	\$ 6,525,000	1.95762	\$ 63,867	\$ 639	\$ 63,228	\$43,992	\$19,236	\$63,228	\$576,525	0	19236
10	\$ 6,525,000	0	\$ 6,525,000	1.95762	\$ 63,867	\$ 639	\$ 63,228	\$45,356	\$17,872	\$63,228	\$531,169	0	17872
10.5	\$ 6,525,000	0	\$ 6,525,000	1.95762	\$ 63,867	\$ 639	\$ 63,228	\$46,762	\$16,466	\$63,228	\$484,407	0	16466
11	\$ 6,525,000	0	\$ 6,525,000	1.95762	\$ 63,867	\$ 639	\$ 63,228	\$48,211	\$15,017	\$63,228	\$436,196	0	15017
11.5	\$ 6,525,000	0	\$ 6,525,000	1.95762	\$ 63,867	\$ 639	\$ 63,228	\$49,706	\$13,522	\$63,228	\$386,490	0	13522
12	\$ 6,525,000	0	\$ 6,525,000	1.95762	\$ 63,867	\$ 639	\$ 63,228	\$51,247	\$11,981	\$63,228	\$335,243	0	11981
12.5	\$ 6,525,000	0	\$ 6,525,000	1.95762	\$ 63,867	\$ 639	\$ 63,228	\$52,835	\$10,393	\$63,228	\$282,408	0	10393
13	\$ 6,525,000	0	\$ 6,525,000	1.95762	\$ 63,867	\$ 639	\$ 63,228	\$54,473	\$8,755	\$63,228	\$227,935	0	8755
13.5	\$ 6,525,000	0	\$ 6,525,000	1.95762	\$ 63,867	\$ 639	\$ 63,228	\$56,162	\$7,066	\$63,228	\$171,773	0	7066
14	\$ 6,525,000	0	\$ 6,525,000	1.95762	\$ 63,867	\$ 639	\$ 63,228	\$57,903	\$5,325	\$63,228	\$113,870	0	5325
14.5	\$ 6,525,000	0	\$ 6,525,000	1.95762	\$ 63,867	\$ 639	\$ 63,228	\$59,698	\$3,530	\$63,228	\$54,172	0	3530
15	\$ 6,525,000	0	\$ 6,525,000	1.95762	\$ 63,867	\$ 639	\$ 63,228	\$61,549	\$1,679	\$63,228	\$0	0	1679
=====		=====	=====								=====		
					\$1,916,010	\$19,170	\$1,896,840	\$1,227,853	\$668,987	\$1,896,840		\$0	
					=====	=====	=====	=====	=====	=====		=====	
												( F9 = calculate )	
						Original Loan Amount		\$1,220,476					
						Capitalized Interest		\$0			ASSUMPTIONS:		
						Loan Balance Remaining		\$0			1. Loan Amount:	\$1,220,476	
											2. Interest Rate:	6.20%	
											3. Increment:	\$6,525,000	

\* The above figures are estimates based upon the assumptions in this Exhibit “E” and are subject to change.

## **EXHIBIT "F"**

### **Cost-Benefit Analysis (Pursuant to Neb. Rev. Stat. § 18-2113)**

The cost-benefit analysis for the Redevelopment Project, as described in the attached Redevelopment Plan, which will utilize funds authorized by section 18-2147 of the Act, is provided below:

#### **1. Tax shifts resulting from the approval of the use of funds pursuant to Section 18-2147:**

The taxes generated by the base value of the Project Site will continue to be allocated between the relevant taxing jurisdictions pursuant to the Act. Only the incremental taxes created by the Redevelopment Project will be captured to pay for the project's eligible public expenditures. Since the incremental taxes would not exist without the use of TIF to support the Redevelopment Project, the true tax shift of the Redevelopment Project is a positive shift in taxes after 15 years. However, for the purposes of illustrating the incremental taxes used for TIF, the estimated 15 year tax shift for the Redevelopment Project is set forth in Exhibit "E" of the Redevelopment Plan, and is adopted hereby.

#### *Notes:*

- 1. The projections herein are based on assumed values and levy rates; actual amounts and rates will vary from those assumptions, and it is understood that the actual tax shift may vary materially from the projected amount. The levy rate is assumed to be the 2021 levy rate. There has been no accounting for incremental growth over the 15 year TIF period.*

#### **2. Public infrastructure and community public service needs impacts and local tax impacts arising from the approval of the Redevelopment Project:**

##### **a. Public infrastructure improvements and impacts:**

The Redevelopment Project requires public infrastructure installation. The Project Site will require the construction of vehicular access from Victory Rd., along with the construction and/or extension of paving, sewer, water, storm sewer, electrical service, public walks, and related infrastructure to serve the buildable lots. The public improvements for the Redevelopment Project will address any traffic and street infrastructure concerns that would otherwise be created by the Redevelopment Project. The Project Site will be filled and graded to

provide for effective surface water runoff. The Agency and Redeveloper do not anticipate that the Redevelopment Project will have a negative impact on now-existing City infrastructure.

b. Local Tax impacts (in addition to impacts of Tax Shifts described above):

The Redevelopment Project should create material tax and other public revenue for the City and other local taxing jurisdictions. While the use of TIF will defer receipt of a majority of new ad valorem real property taxes generated by the Redevelopment Project, the Redevelopment Project should generate immediate tax growth for the City. The new residents within the Project Site will require and pay for City services. Additionally, the City will collect sales tax on a portion of the materials used for the Redevelopment Project. It is not anticipated that the Redevelopment Project will have any material adverse impact on such City services, but will generate revenue providing support for those services.

**3. Impacts on employers and employees of firms locating or expanding within the boundaries of the Project Site:**

The Redevelopment Project is of a residential nature, and thus no employers will locate to or expand within the Project Site. However, the Redevelopment Project will provide affordable housing for the City's workforce, benefitting both employers and employees.

**4. Impacts on other employers and employees within the City and the immediate area that is located outside of the boundaries of the Project Site:**

The Redevelopment Project will provide affordable housing for the City's workforce, which will benefit employees that work in the vicinity of the Project Site who would like to live near their work. An increase in population density in the area will also benefit nearby businesses via the increased need for goods and services. Additionally, affordable housing is a key element for attracting and/or retaining workforce needed by area employers, thereby conferring an additional benefit on employers. Accordingly, the Redevelopment Project is anticipated to have a positive impact on surrounding employers and employees.

**5. Impacts on student populations of school districts within the City:**

The increase of population density within the Project Site may result in an increase in school-aged children within the related school districts. However, there is no indication that the schools within the district are unable to withstand an increase in enrollment proportionate to the size of the Redevelopment Project. The school district will not receive taxes from the residences built during the time the increased taxes are utilized to pay the TIF Indebtedness. However, the school district has received state aid to education in the past. Part of the school aid formula

involves assessed valuation in the school district. The valuation that generates the TIF payments is not included in the formula and does not count against the state aid that the school district would receive. Taxes on any increase in the base value of the land will benefit the school district. After the TIF Indebtedness is paid, or at the end of the respective 15 years of division of taxes, whichever is sooner, the increased valuation from the residential construction will be available to the school district. As such, Redeveloper and the Agency do not anticipate a negative impact on school districts located within the boundaries of the area of the Redevelopment Project.

**6. Other impacts determined by the Agency to be relevant to the consideration of costs and benefits arising from the redevelopment project:**

The Project Site is a vacant area that has been deemed blighted and substandard. The Redevelopment Project will provide needed affordable housing, and will revitalize and occupy a vacant space without negatively impacting the surrounding businesses, residents or straining the public infrastructure. There are no other material impacts determined by the Agency relevant to the consideration of the costs or benefits arising from the Redevelopment Project. As such, the costs of the Redevelopment Project are outweighed by its benefits.